VZCZCXRO8435 OO RUEHLH RUEHPW DE RUEHIL #2006/01 1540452 ZNY CCCCC ZZH O 020452Z JUN 08 FM AMEMBASSY ISLAMABAD TO RUEHC/SECSTATE WASHDC IMMEDIATE 7183 INFO RUEHBUL/AMEMBASSY KABUL PRIORITY 8662 RUEHLO/AMEMBASSY LONDON PRIORITY 8014 RUEHNE/AMEMBASSY NEW DELHI PRIORITY 3331 RUEHKP/AMCONSUL KARACHI PRIORITY 9813 RUEHLH/AMCONSUL LAHORE PRIORITY 5553 RUEHPW/AMCONSUL PESHAWAR PRIORITY 4294 RUMICEA/USCENTCOM INTEL CEN MACDILL AFB FL PRIORITY RUEKJCS/SECDEF WASHINGTON DC PRIORITY RHMFISS/CDR USCENTCOM MACDILL AFB FL PRIORITY RUEAIIA/CIA WASHDC PRIORITY

C O N F I D E N T I A L SECTION 01 OF 02 ISLAMABAD 002006

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E.O. 12958: DECL: 06/02/2018
TAGS: PGOV PK PREL PTER
SUBJECT: CODEL SCHIFF MEETS WITH PM GILANI: PUSHING PARLIAMENTARY SUPREMACY

Classified By: Anne W. Patterson, Reasons 1.4 (b), (d)

11. (C) Summary: Codel Schiff -- U.S. Representatives Adam Schiff (D-CA), Allyson Schwartz (D-PA), and Wayne Gilchrest (R-MD) -- met May 27 with Pakistan's Prime Minister Yousuf Raza Gilani. The Prime Minister reiterated Pakistan's full support for the war on terror and noted improving relations with neighbor Afghanistan. He stressed that the planned peace accord for South Waziristan had been drafted prior to his government taking power in late March, and since then, the GOP had refused to conclude the agreement. He asked for assistance with intelligence sharing and with registration of religious schools (madrassas), as well as the passage of the reconstruction opportunity zones (ROZ) legislation before Congress. The Prime Minister was sober at the security and economic challenges facing the country; he believed that parliament, under his leadership, would again be the dominant institution over the presidency. End summary.

Support for GWOT

- 12. (C) Prime Minister Gilani began his May 27 meeting with Codel Schiff by reiterating the GOP's commitment to fight extremism and terrorism within the country's borders. As with other visiting codels, Gilani noted that moderate forces won overwhelmingly in the February 18 general elections. He stressed that the GWOT was "Pakistan's war," noting that he had lost his party leader, Benazir Bhutto, to terrorist assassination. Terrorism threatened Pakistan's political and economic stability, Gilani concluded.
- 13. (C) Particularly noteworthy, Gilani added, were the gains of secular ethno-nationalist parties in the Northwest Frontier Province (NWFP), Federally Administered Tribal Areas (FATA) and Balochistan. These parties, specifically coalition partner Awami National Party (ANP), had good relations with Afghanistan President Hamid Karzai, and Gilani believed there would be good cooperation covering the border areas because of this relationship. He said that a Pakistan-Afghanistan jirga would be called soon; Pakistan's security was intimately linked to Afghanistan's security.
- 14. (C) Law and order was the most important issue for most Pakistanis, the Prime Minister argued. He complained that the GOP treasury was spending huge resources not only on fighting the GWOT but also on the three million Afghani refugees within Pakistan's borders. These refugees should return to Afghanistan.
- $\P5$. (C) Gilani said he made these points to President Bush at

their recent Sharm el-Shaikh meeting. He mentioned this trip was his first time outside the country in nine years. Under the Musharraf government, he was on the exit control list and not allowed to leave the country, Gilani added.

Talking to the Taliban?

- 16. (C) Turning to the widely reported peace accords in NWFP's Swat district and in FATA's South Waziristan Agency, separately, Gilani stated, "There should be no doubt about our cooperation in the war on terror," adding, "You should trust us." He said the GOP was trying to bring these frontier areas into mainstream politics. He stressed that the specific agreement in South Waziristan was drafted before his government ever took power in late March; upon review and reflection, his government was now refusing to conclude the agreement.
- ¶7. (C) Gilani asked for more intelligence sharing between the GOP and USG in order to prosecute more effectively the war on terror in the FATA. He also asked for USG assistance with the GOP's plans to regularize madrassa (religious schools) education, claiming that, since his inaugural speech as PM, nearly 14,000 of an estimated 70,000 madrassas had registered with the GOP. Gilani believed he had received a commitment of USG support for this initiative at the Sharm el-Shaikh meeting.

"Instead of aid, we want trade."

ISLAMABAD 00002006 002 OF 002

18. (C) Gilani advocated more social and economic development to address the root causes of terrorism. Asking the visiting codel to move quickly to pass legislation authorizing reconstruction opportunity zones (ROZs), Gilani stated, "Instead of aid, we want trade." He believed Pakistan's textile industry could compete with that of other countries. The Prime Minister continued, "We are fighting on too many fronts," and described the acute shortage of oil and wheat, basic commodities, throughout the country.

Thrilled at Renewed Democracy

- 19. (C) Gilani responded soberly when the codel said it was very pleased at the return of full democracy in Pakistan. Instead, he said the country was still "in transition" and faced tough challenges. He had gone to visit the military chiefs to be briefed on the security situation, just one of many problems. And the government was busy drafting a budget to be passed by June 30. All departments, including the military, would be asked to cut-back to the "bare necessity." Responding to the codel's question regarding how much oversight parliament had over the military's one line item in the national budget, Gilani demurred, "It is a tightrope walk."
- 110. (C) He insisted, however, that parliament under his direction would increasingly exert its authority. He advocated a return to Pakistan's 1973 Constitution (sans amendments since), which made the parliament dominant over the presidency. This change was "not personal" against Musharraf, Gilani reassured the group.
- 111. (U) Codel Schiff did not clear this cable.

PATTERSON